

Kentucky Real Estate NEWS

A Publication of the Kentucky Real Estate Commission

Dana W. Anderson Appointed Commissioner By Governor Beshear



We are pleased to announce the appointment of Dana W. Anderson as commissioner. Governor Beshear appointed Mrs. Anderson on January 17, 2014 to serve a four-year term. Ms. Anderson replaces former Commissioner Ken Perry, whose second term had expired.

Mrs. Anderson brings many years of experience in the real estate industry with her role as commissioner. She was originally licensed in New Jersey and received her Kentucky broker's license in 1992. In 1994 she joined Semonin Realtors®

and she is still with that firm today. She currently serves as their director of the New Homes Division. In addition, Mrs. Anderson does in-house training for Semonin Realtors® and specializes in Generational Marketing, Personality Selling, and New Construction Sales.

Mrs. Anderson is a graduate of the University of Kentucky with a Bachelor of Arts Degree in Psychology. She is a member of the Kentucky Association of Realtors® and the Greater Louisville Association of Realtors®. She is an approved continuing education instructor for Home Services of Kentucky.

Mrs. Anderson is also a member of the National Association of Home Builders and the Building Industry Association of Greater Louisville, where she has served locally on the Executive Council for Sales and Marketing.

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Comments from the Chair

**by: James H. Huff,
Chair**



I want to thank my colleagues on the Kentucky Real Estate Commission for their confidence and support in electing me chairman for 2014. In addition, it is my great pleasure to announce that Commissioner Bob Roberts was elected Vice Chair. Bob has served as the consumer representative on the Commission for almost 20 years and served as chair in 1992, 1996, 2004, and 2012. I look forward to working with Bob and will frequently call upon his real estate and business expertise.

As I begin my term as chair, I want to recognize the efforts and accomplishments of Linda Gibson Cecil, who served as chair throughout the 2013 calendar year. Linda's hard work and leadership have been invaluable assets to the Commission and her interest and knowledge of real estate education have greatly enhanced our educational programming. As chair of the Education Review Work Group, she was instrumental in bringing greater focus to continuing education for our active licensees. As a direct result of her advocacy and the work group members, in an effort to enhance the knowledge and professional status of active real estate licensees, the 2014 Kentucky General Assembly is now considering legislation related to enhanced continuing education programming.

I also want to take this opportunity to welcome aboard Dana W. Anderson, who is replacing Ken Perry as commissioner, whose term has expired. Dana has devoted her career to real estate, working both as an active licensee and real estate educator. I encourage you to read the newsletter biographical spotlight (page 1), which introduces Dana as our newest commissioner.

Finally, I'm pleased to announce that the Kentucky Real Estate Commission has decided once again to co-sponsor the Kentucky Association of REALTORS® Broker Summit. The Summit will take place on Wednesday, April 23, 2014, beginning at 8:30 a.m., at the Ramada Plaza Triple Crown Pavilion, 1776 Plantside Drive, in Louisville.

The Broker Summit is an event designed to bring together real estate brokers, managers, and owners from across the Commonwealth to provide management level education, while fostering an environment of sharing and networking. It is the only statewide broker training event in Kentucky. In addition to our co-sponsorship, the Kentucky Real Estate Commission will also be involved as a program participant, providing brokers with current and practical information on real estate issues and compliance with Kentucky license law.



From the Director's Desk

By: Michael W. Wooden,
Executive Director

On behalf of the Kentucky Real Estate Commission and KREC staff, I would like to take this opportunity to recognize the distinguished service of former Commissioner Ken Perry. As you may know, Ken's term as a commissioner ended this past January. On January 17th, he completed his second four-year term as commissioner, which after serving two consecutive four year terms, state law made him ineligible for re-appointment. Dana W. Anderson is replacing Ken as a KREC commissioner.

Ken Perry's career in real estate began in 1989, when he received his sales associate license. He received his broker's license in 1992. He continues today as the principal broker and owner of Ken Perry Realty, a real estate brokerage firm located in northern Kentucky, which he founded in 2002. He is also the owner of the Kentucky Real Estate College, founded in 2009.

In 2005, Ken's involvement with the Commission began when Governor Ernie Fletcher appointed him to a four-year term. He was re-appointed to the Commission by Governor Steve Beshear in 2009. During his eight-year tenure as commissioner, his leadership and direction have been vital to enhancing the Commission's role as a regulator and service provider to real estate licensees and an advocate for Kentucky's consumers. His knowledge of the real estate industry and experience and direct involvement in real estate educational programming have been important contributions to the deliberations of the Commission. His advice and perspective was an integral part of every Commission meeting and much valued by his fellow commissioners and KREC staff. His leadership and professionalism were rewarded

three times by his colleagues in electing Ken chairman of the Commission in 2001, 2006, and 2009.

Even though Ken's time as commissioner has ended, I know his participation and guidance will be sought many times in the days ahead. On behalf of the Commission, we extend to Ken Perry our sincere best wishes for good health, happiness, and continued professional success. We truly thank you for your time and effort spent in endeavors of importance to the Kentucky Real Estate Commission, licensees, and consumers.

PSI Updates National Portion of the Real Estate Sales Associate and Broker Examinations

PSI recently completed a study, which included a national job analysis survey and expert committee review. The study served as a basis for updating test content specifications, developing new items, and reviewing the entire test bank to ensure relevancy and relationship to public protection. The newly updated exams began on March 1, 2014. The Real Estate expert committee recommended slight changes in item numbers allocated to certain topic areas. There was also an increased emphasis on items that require application of knowledge (as opposed to recall/recognition). The updated Candidate Information Bulletin can be found on PSI's website at (www.psiexams.com) by selecting "Government/State Licensing Agencies," select "Kentucky," select "Kentucky Real Estate," you will see the updated Candidate Information Bulletin under "Messages."

KREC Commissioners



Jim Huff, Chair



Bob Roberts, Vice-Chair



Linda Gibson Cecil



Kim Sickles



Dana W. Anderson

What Licensees Need to Know About:

The Prohibition in KRS 324.160(4)(o) Against Licensees Soliciting Brokerage Agreements

At its December 19, 2013 meeting, the KREC interpreted KRS 324.160(4)(o) to clarify the prohibition that a licensee must not knowingly interfere with a brokerage agreement that another broker has in effect with a consumer. Based upon its interpretation, a licensee may solicit a brokerage agreement from a represented consumer, if the brokerage agreement that the licensee is soliciting is not the same brokerage agreement that the consumer has in effect with a different real estate company. Therefore, if the brokerage agreements involved are the same, then the prohibition in KRS 324.160(4)(o) applies. If they are different, it does not.



Note: 201 KAR 11:250, Section 6, still prohibits “licensee-initiated” negotiations of subsequent listing agreements with other brokers prior to the expiration of the other brokers’ original listing agreements.

“Team Listings” & “Team Advertisements”

In addition to the above, issues raised by “team listings” and “team advertisements” were discussed during the KREC’s December 19, 2013 meeting. The following guidance is provided as a result of that discussion:

1. There is no license law prohibition against licensees advertising as a team.
2. If a licensee is using a team designation to promote his or her productivity in an intentionally false, misleading or deceptive manner, then a complaint can be filed with the KREC.
3. If a team member writes a contract, then he or she owns the problem, if any. “You write it, you own it.”
4. If a licensee is using a team name rather than the licensee’s name on a listing contract, seller’s disclosure form or agency disclosure form, then a complaint can be filed with the KREC.



By Y. Denise Payne Wade
KREC Staff Attorney



When Does Your License Expire???

March 31, 2013

ALL Licensees (Escrow & Active) MUST Renew

License renewal has never been easier. The KREC staff have been working since last renewal to continue improving the online license system. The qualifications have been simplified and the renewal screens are even more user-friendly.

Remember, all licensees (**both active and escrow**) must renew each year prior to March 31st. If you miss the deadline, you will be subject to fines from \$100 - \$200. Below are some answers to the most frequently asked renewal questions.

Where do I go to renew my license? Navigate to the KREC home page (krec.ky.gov). From the KREC home page, click on the link entitled "Online Licensing Services." This link can be found in the blue main menu bar to the far right.

What if I forgot my license number? Your license number can be obtained by clicking on the "Licensee Database" from the KREC home page (krec.ky.gov). Simply type in your name as it appears on your license and click "Search" for your license number to appear.

How much does it cost to renew? All licensees are required to pay the \$60 renewal fee. Processing the renewal payment online also includes a \$5.00 portal fee. If your license is active, you will be required to either purchase group errors and omissions insurance or provide proof of private coverage.

Where can I find more information? Many more answers to the most frequently asked questions can be found by clicking on the

"Online Licensing Services" tab and then clicking on the FAQ link near the top right-hand corner of the page.

REMEMBER! The "Online Licensing Services" link is not just open during renewal. The "Online Licensing Services" link is available year round as a quick and convenient way for licensees to update information such as address and e-mail changes and contact phone numbers. It can also be used by principal brokers to release licensees online and to print licenses (see page 8).

Group Errors & Omissions Insurance Information

The Commission and Rice Insurance Services Company, LLC (RISC) renewed the group real estate program for license year 2014/2015. The premium is \$128.00 (plus applicable taxes & surcharge) per licensee. Information regarding the group program was mailed to all principal brokers, along with the KREC renewal package. Group coverage is purchased online when you renew your license. If licensees would like to purchase additional endorsements and/or higher limits, those can be purchased directly from RISC. Only the basic group program can be purchased from the Commission. For specific policy information or to enroll for endorsements or higher limits, please visit the RISC website at risceo.com. You can also contact them by phone at (502) 897-1876 ext. 1 or Toll Free at (800) 637-7319 ext. 1.

Dana W. Anderson Appointed

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Mrs. Anderson says, "I would like to thank Governor Beshear for this wonderful opportunity and I thank the members of the Kentucky Association of Realtors® Selection Committee for my nomination, along with my friends and family who supported and encouraged me in my endeavor to become a commissioner. I pledge to devote my experience and energy to uphold license laws and promote the real estate industry, while also serving the public."

Mrs. Anderson is a native Kentuckian and she is married to Sid Anderson, Principal Broker of Sidney J. Anderson Real Estate. Her husband is also a member of the Building Industry Association of Greater Louisville. They reside in Louisville and together they have six children and nine grandchildren.

Mrs. Anderson enjoys traveling and golf. She is a member of the Louisville District Golf Association and the Woman's Falls City Golf

Association.

Mrs. Anderson attended her first Commission Meeting on February 27, 2014. Her fellow commissioners and the staff at KREC are very excited to have her on board.

Welcome to the KREC family, Commissioner Anderson!



*Commissioner Linda Gibson Cecil (right)
welcomes new Commissioner
Dana Anderson (left) to the KREC*

Reviewing Your Insurance Options? ***Review the Actual Policy Provisions!***

By: Rice Insurance Services Company, LLC

Kentucky Real Estate Licensees have a choice when selecting their errors and omissions (E&O) insurance. It is important to note that not all E&O policies are the same. Neither are all E&O insurance providers. Rice Insurance Services Company, LLC's (RISC's) management team has administered the Kentucky Real Estate Commission's (KREC's) group E&O program for 21 of the last 24 years. RISC has partnered with Continental Casualty Company for more than 10 years to provide programs in Kentucky and other states with mandatory E&O programs. When reviewing your options, be sure to look at the following important items.

Prior Acts Coverage: Many real estate E&O claims are made years after the underlying transaction occurred. However, most E&O policies are claims-made policies, meaning that the policy that is most likely to apply to a claim is the policy in effect when a claim arises, not the policy in effect when the transaction occurred. Therefore, it is important to determine whether your policy will apply to claims made during the policy period that involve professional services you performed before the policy's inception date (often referred to as "prior acts coverage"). Also check to see if there are conditions for prior acts coverage. For

example, a policy could include language that, to ensure the policy provides prior acts coverage, the insured licensee must inquire whether or not his/her clients have knowledge of circumstances that could reasonably be expected to lead to a claim (and determine no potential claim exists) before purchasing the coverage. This is not the case for prior acts coverage under the KREC policy, which does not require an inquiry of the insured's clients.

Transactions Involving

Relatives: It is crucial to read the exclusions in a policy, since some policies exclude coverage for professional services performed for an insured's parents; grandparents; siblings; aunts; uncles; cousins; children; domestic partner; or spouse's parents, grandparents, siblings, or chil-



Disciplinary Actions

**Bryan J. Dockery**

Case No 13-0029
(Shepherdsville)

Violation: Mr. Bryan J. Dockery was found in violation of KRS 324.160(4)(j) for entering a guilty plea to a Class D felony.

Disposition: Mr. Dockery's license was revoked.

Jackie K. Griffie

Case No. 10-0143 (Hazard)

Violation: Ms. Jackie K. Griffie was issued a Default Order, which found her in violation of KRS 324.330 and KRS 324.117(1) by failing to timely provide written notice to the Commission of her change of her principal business location and by falsely advertising that she is a Realtor®.

Disposition: Ms. Griffie was fined five hundred dollars (\$500.00), issued a formal reprimand and her license was placed on probation for one year.

Debra J. Williams

Case No. 08-0047
(East Bernstadt)

Violation: Ms. Debra J. Williams stipulated to a violation of KRS 324.160(4)(t) for violating KRS 324.260 by failing to take action to ensure her compliance with the seller's disclosure of property conditions form requirements. This violation resulted from her mistaken assumption that the

form was not required because the house on the property was in extremely poor condition and appeared to be abandoned.

Disposition: Ms. Williams agreed to pay fine in the amount of three hundred fifty dollars (\$350.00) and to accept a formal reprimand.

Sallie S. Davidson

Case No. 08-0047 (London)

Violation: Ms. Sallie S. Davidson stipulated to a violation of KRS 324.160(4)(t) for violating KRS 324.260 by failing to take action to ensure her compliance with the seller's disclosure of property conditions form requirements. This violation resulted from her mistaken assumption that the form was not required because the house on the property was in extremely poor condition and appeared to be abandoned.

Disposition: Ms. Davidson agreed to pay fine in the amount of three hundred fifty dollars (\$350.00) and to accept a formal reprimand.

Deloise Adams

Case No. 12-0123 (Franklin)

Violation: Ms. Adams acknowledged and agreed that she unintentionally violated 201 KAR 11:70(4)(1), resulting from a "Career? in Real Estate Ask Inside" sign that was posted on the marquee of the brokerage firm where Ms. Adams'

real estate class was held and in session.

Disposition: Ms. Adams agreed to pay a two hundred dollar (\$200.00) fine.

John F. Cadden

Case No. 12-0009 (Louisville)

Violation: Mr. John F. Cadden stipulated to an unintentional violation of KRS 324.160(4)(e) and KRS 324.160(4)(t); specifically, 201 KAR 11:121, Section (1)(4)(e), for inadvertently failing to provide written disclosure of the full extent of his ownership interests in property he leased and for using a lease signing process that created confusion because it involved the provision of two leases, one of which was signed by his tenant only.

Disposition: Mr. Cadden was ordered to complete three (3) hours of continuing education, in contract laws, in addition to any continuing education hours that he is otherwise required to complete. He was also formally reprimanded.

Vicki G. Elder

Case No. 12-0009 (Louisville)

Violation: Ms. Vicki G. Elder stipulated to an unintentional violation of KRS 324.160(4)(e) and KRS 324.160(4)(t); specifically, 201 KAR 11:121, Section (1)(4)(e), for inadvertently failing to provide written disclosure of the full extent of her ownership

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How Principal Brokers Release a Licensee Online



For a principal broker to release a licensee online, he/she will need to logon to “**Online Licensing Services**” and go to the **Firm Management**. Once you get to the **All Firms** screen, you will need to click once on **WORK WITH BRANCHES/LICENSEES** and wait. (Do not click on any other buttons.) Once the screen flips to the **Branch Registration** screen click on **REVIEW/RELEASE/PRINT LICENSES** and wait until the list of licensees appear. Screen shots of this process are below.

KREC License System

All Firms

Welcome John Doe

- You or other licensees affiliated with your firm(s) or its branches cannot renew until all the firms are registered.
- You can only continue the renewal process when statuses of all firms are marked as "Complete".
- To complete a firm's registration, click on "Edit Escrow Information" and complete the form.
- If the Registration Status is incomplete, then some contact, escrow bank, or E&O insurance information has not been completed. See the FAQ document for more information.

Firm Name	Escrow/E&O	Branches and Licensees	Registration Status
John Doe Realty	 Edit Escrow/E&O Information	 WORK WITH BRANCHES/LICENSEES	Complete

PREVIOUS

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KREC License System

Branch Registration

John Doe Realty

Branch No.	Address	Licensees	Escrow	Address	Registration Status
0	Anywhere, KY	 REVIEW/RELEASE/PRINT LICENSES	 Edit Escrow Information	 Change Address	Complete

Click Here

PREVIOUS

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Shelley Hunter

Retires



It is with regret and well wishes that we announce the retirement of Shelley Hunter on March 31, 2014. Shelley transferred to the Kentucky Real Estate Commission from the Kentucky Fair and

Exposition Center on August 16, 2008. She started her career in state government as a personal secretary to Governor Brereton Jones and Chief Executive Officer Franklin Jelsma. Shelley has 28 years of service with the Commonwealth of Kentucky. Although we are all extremely excited for Shelley, the Commission will not be the same without her.

Shelley's work made such a positive impact on the licensees and consumers of Kentucky. She took great pride in coordinating the 50-Year Award Ceremony and she maintained and updated the Commission's website. Shelley also processed licensee certification requests, travel

vouchers, timeshares and open records requests. Her responsibilities also included preparing and coordinating the monthly Commission meetings. Shelley was known to go above and beyond the call of duty and she often helped other employees during busy periods. Shelley also worked well under pressure and she was always able to maintain a very calm demeanor, which had a positive impact on the rest of the staff. We will miss Shelley greatly and want to extend our sincere appreciation for her time at the Commission.

We all wish Shelley well in her next endeavor and we hope that she will come back and visit often.

Reviewing Your Insurance Options?

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dren. The KREC policy does not exclude coverage for claims involving professional services performed for the listed family members. This is an important consideration, since buyers and sellers often turn to a trusted relative who is a real estate licensee to represent them in a transaction.

Suits/Claims Against the Real Estate Firm: In addition to insuring the licensee, the KREC policy also insures any real estate firm the licensee represents for the firm's vicarious liability for negligence in the licensee's professional services. Other policies may not cover the firm if a claim is made against it for the licensee's conduct.

Licensed Activities in Other States: If you are domiciled in Kentucky and have an active real estate license in another state in addition to your Kentucky license, make sure the policy applies to claims involving professional services performed in all states where you have an active real estate license. Unlike the KREC policy, some other policies limit the definition of insured services to services in connection with "transactions of properties located in the state of Kentucky only." "However, for licensees who are not domiciled in Kentucky, even the KREC policy will only apply to their Kentucky transactions. Note that licensees who are not domiciled in Kentucky but who live within 50 miles of the Kentucky state line and whose principal real estate license is associated with a real estate office located in Kentucky will be treated as domiciled in

Kentucky for purposes of the policy."

Regulatory Complaints: Check to see if the policy provides any coverage for costs to defend against a complaint to a real estate regulatory board or commission. The KREC policy provides up to \$2,500 for claim expenses incurred in the handling of a covered complaint to a real estate regulatory board or commission (up to a maximum of \$5,000 for all covered regulatory complaints), provided the complaint arises from an act, error, or omission that would otherwise be covered by the policy.

If you have questions about the KREC policy, please call RISC at 1-800-637-7319 (local Louisville calls: 502-897-1876) or visit their website, www.risco.com.

Disciplinary Actions

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interests in property she leased and for using a lease signing process that created confusion because it involved the provision of two leases, one of which was signed by her tenant only.

Disposition: Ms. Elder was ordered to complete three (3) hours of continuing education, in contract law, in addition to any continuing education hours that she is otherwise

required to complete. She was also formally reprimanded.

Debbie Hovious

Case No. 11-0135 (Goshen)

Violation: Ms. Debbie Hovious stipulated to a violation of KRS 324.160(4)(u), resulting from her improper actions, which she described as “being a bit nosey,” while examining, unaccompanied at her scheduled showing, a bathroom in another real estate company’s listed property. The violation also resulted from her failure to lock the property

after the showing. Ms. Hovious has been on voluntary probation since the claim was filed and which included a requirement that she be accompanied by another Realtor® at all showings.

Disposition: Ms. Hovious was issued a formal reprimand and ordered to complete three (3) hours of continuing education within 90 days of the order. If Ms. Hovious does not complete her additional three (3) hours of continuing education, her license will automatically be suspended.

E&O Premium Amounts Available Online!!

To find the current E&O premium amounts, navigate to the krec website (krec.ky.gov) and click on the “[Licensee Database](#)” and enter the Principal Broker’s name. Click on the [details box](#), and then click the “[E&O/Licensees](#)” tab. If the principal broker has more than one firm, you will need to select the firm you will be joining, then click on the [green box](#) to find the current E&O amount.

Remote Commission Meeting to be held in Ashland, Kentucky

WHEN:

July 17, 2014 at 9:00 a.m.

WHERE:

*Holiday Inn Express
13131 Slone Court
Ashland, KY 41102*

*Please make plans to join us.
We look forward to seeing you there!*

The KREC will be closed on:

April 18, 2014
(Good Friday 1/2 day)

May 26, 2014
(Memorial Day)

July 4, 2014
(Independence Day)